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JPRS L/8878

23 January 1980

Japan Report

(FOUO 2/80)



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JAPAN REPORT

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MILITARY

CRITIQUE QUESTIONS JAPAN'S DEFENSE FOR THE EIGHTIES

Tokyo NIKKEI BUSINESS in Japanese 8 Oct 79 pp 58-64

[Article by Osamu Kaihara, commentator on military affairs, and a former chairman of the National Defense Council]

[Text] During the 1980s no major changes in worldwide military situation. Soviet aggression will at most amount to plotting the escalation of communism's influence in the Middle East, Africa, South America and S E Asia.

This does not mean that Japan can afford to be unprepared for an emergency.

Yet the military setup in Japan is such that (1) we are not prepared with vital legislation, (2) there are no plans to coordinate the three Self-Defense Forces and (3) our forces have not had training for actual combat.

Is Russia a Bellicose Nation?

Likely To Go No Further Than Indirect Aggression

During the 1980s it is unlikely that there will be any major changes in the world's military situation. The nuclear power of the United States and the Soviet Union is about equal and in non nuclear power, America has the policy of maintaining enough strength to wage one and a half wars (one war in Europe or Asia and at the same time another some place else on a smaller scale). And yet, in some sectors, there is avid debate whether the United States would have the capability of undertaking armed warfare, even if the Soviet Union were to risk the danger of nuclear war sometime between 1983 and 1985.

The basis for this conjecture is as follows: Number one: The strength of Russia is only about half that of the United States, but over the past few years they have spent more on military expenditures than has the United States. In 1978 the United States spent about 25 trillion yen, while in comparison, the Soviet Union spent approximately 29 1/2 trillion. With this large amount for military expenditures, the Soviet Union has concentrated its efforts on building up strategic nuclear armaments (CP-Intercontinental Ballistic Missiles, SLBM-Submarine Launch Ballistic Missiles and Strategic

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Bombers) as well as on expanding naval power and preparing a civilian defense system. The assumption is that by about 1983 the Soviet Union will be very strong in both offensive and defensive military power.

In reference to the Russian civilian defense efforts, General Haige, former commander of the NATO forces, has said that approximately 70,000 people are actively engaged in civilian defense, and four-star generals are in charge of the program.

Number two: The Soviet Union does not appear to fear a nuclear war. Until now, it has been common world opinion that in the event of a nuclear war, neither side would emerge the victor. Whichever side fired the first shot would receive the second from its opponent and in the process be completely destroyed.

In January of 1961, Soviet Secretary Brezhnev made the following declaration: "Because the National War of Liberation is a righteous war, communists will take the lead and march forward." He also said that a nuclear war would bring about the destruction of the human race, and there must therefore never be one.

For the past several years, however, in an authoritative publication, N V Karabanov has maintained that the deceitful claim of bourgeois ideology which says that there are no victors in a thermonuclear war is exceedingly misleading and dangerous. So it now seems apparent that the Soviet Union, 12 percent of whose population suffered casualties during the last world war, does not fear a sacrifice of 20 or 30 million people.

Given this background, it is noteworthy that a U S Congressional research group has postulated several scenarios for a limited nuclear war. Soviet military activity might be expected to take place first of all in the Middle East, secondly in Europe and finally in China.

I feel however that the leaders in Moscow are not foolish enough to risk any military action involving the danger of nuclear war. The present regime in Moscow is still only 62 years old, and in order to help realize their grand ideal of world communism, I believe that for the time being they will concentrate on the tactic of indirect aggression in such places as the Middle East, Africa, South America and S E Asia. They would only engage in military action which would aid their accomplishing a national war of liberation and a growth in the influence of communism.

S E Asia Seeking Security

Economic Development Most Important Basis

The five countries of ASEAN, a loose alliance of countries maintaining the principle of neutrality, are at present very personally experiencing the threat of the Soviet Union, China and Vietnam. The most direct threat is Vietnam which, with the aid of the Soviet Union, is strengthening the bond with Laos and Cambodia. Something like an Indochina Federation could come into being and one day be very serious cause for concern.

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Even within the five countries of ASEAN, Thailand, which shares a common border with Vietnam, is having to fend off a silent form of aggression--the refugees being forced over the border from Vietnam. The leader of the opposition, Thai Democratic Party leader Thanat Khoman has said that if Vietnam should attack Thailand, the United States has confirmed its obligation to defend Thailand according to the stipulations of the 1963 U S-Thai Treaty (UPI-Aug 30).

For this assistance, the American naval and air bases in the Philippines are very significant. Politically, the countries of ASEAN affirm their neutrality, but to guarantee their safety each country maintains its own policies and exercises its own discretion. It is uniformly agreed that for each country to resist the infiltration of communism, it is very important to encourage economic development, raise the standard of living, assure political stability and strengthen the "resiliency" of each country as a nation. It is hoped that Japan's role in this area will be to give a generous amount of aid for economic development.

Even during the 1980s there is little hope for North and South Korea to be reunited into one country by peaceful means. Neither is there likelihood of an armed clash. In a campaign pledge, President Carter promised to withdraw the U S land forces from Korea, but after having withdrawn a little more than 3,000 of the 30,000 men stationed in South Korea, he called a halt to further reduction claiming that there had been a change in the estimate of North Korean forces. As long as U S troops remain in South Korea an armed confrontation with the north may be avoided.

As far as Russia is concerned, there will probably not be any change in her foreign policy in the 1980s, at least until Brezhnev's successor has been named and a new group of leaders is firmly in command.

China too is at present most concerned with domestic affairs--her great symbol of the Four Modernizations. For this reason, a Sino-Soviet clash, which is sometimes brought up by the press, is not the least bit likely. When I visited China in July of 1977, I exchanged views in Peking with five international affairs specialists. When they asked me what I thought about the possibility of a Sino-Soviet Clash, I replied that neither Moscow nor Peking was that foolish, and everyone agreed.

Strength Only a Pretense

Still No Defense Committee in Diet

Even if we feel that there is no immediate likelihood of major military changes in the countries near Japan, we can't neglect preparing for an emergency. On this point can we really say that our military structure is adequate? In 1979, Japan's defense related expenditures were 2,094,500,000,000 yen. This is 5.4 percent of the ordinary budget and 0.9 percent of the expected GNP. With this budget Japan is able to support the three Self-Defense Forces at an authorized strength of 267,853 men. This consists

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of a Ground Self-Defense Force of 13 divisions, a Maritime Self-Defense Force of 185,000 tons of vessels and 180 aircraft, and an Air Self-Defense Force of 230 interceptor aircraft and six SAM units.

It has been 25 years--a quarter of a century--since the birth of the JDF. In a time of emergency can we count on them to defend the length and breadth of our country? Quite the contrary. The present forces are not prepared to fight against a foreign invader. Their strength is only a pretense. This is not just the JDF, but quite simply our whole military structure amounts to nothing but form. Are we to continue in this manner or are we going to really prepare a system which could defend our country against a foreign invasion. This is a problem of life and death importance to the Japanese people.

Following are some of the basic problems at every level of our defense system:
(1) Problems at the Diet and government Level.

A. No Defense Committee in Diet

All matters pertaining to defense are handled in cabinet committee along with a host of other matters. This means that there is no place where national defense matters may be brought directly before the Diet and subject to debate. Successive prime ministers have cited the necessity of instituting a Defense Committee in the Diet, but they always add that this is a problem to be settled within the Diet, and so far not one prime minister has made the slightest effort to get such a committee established.

Until now, the Socialist and the Communist Parties have opposed the creation of a Defense Committee, saying that it would be accompanied by an increase in public awareness and in the actual strength of the JDF.

Within the leading party there is also opposition. The defense director of the LDP Policy Research Committee stated that if such a committee were finally approved and investigations were conducted, the communists would learn all our defense secrets. Because of this firm opposition within the LDP, all discussion has run aground and been left at that. In effect then, the principle of civilian control is only nominal. So unless there is some major incident and the politicians do a complete about-face in response to that particular crisis, hoping to establish a real basis for a national defense structure is like "waiting 100 years for the Yellow River to flow clear."

Never Any Debate on Emergency Legislation

In Time of Emergency, Amend Constitution To Deal With Matter

B. Necessary legislation not prepared.

Last year General Kurusu, former chairman of the Joint Staff Council, made a statement about the problems of emergency legislation which prompted considerable discussion in the Diet and in the press. But today, a year later, it is clear that nothing ever came of it and everything is just the same as before. Not one issue was resolved.

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"Emergency legislation" is lumped under one heading but may be broken down into three categories. The first is the enactment of laws necessary for implementing the provisions of presently existing laws--orders from the cabinet and from the Prime Minister's Office. For example, article 103 of the self-defense law provides that units ordered to mobilize many expropriate supplies in the area of their deployment. The procedure by which this might be done, however, must be established by cabinet order, and such rules and regulations do not exist. In the past, any law which allowed such authority would also permit the necessary related laws. It was a duty of the executive branch of the government. Today, however, if the LDP Government enacts any related laws, the opposition parties are irritated and the Diet does not operate smoothly. It seems very unlikely that the JDF will be deployed in the immediate future, so even if the laws are inadequate, no real objection is raised.

The second kind of legislation within the "emergency legislation" is that which would give the Self-Defense Forces the required authority to do whatever was necessary in defending Japan against a foreign attack. If the Self-Defense Forces are called up, they are faced with many requirements in order to fulfill their mission. The first of these would be to construct a base. If tanks had to obey the local traffic regulations how could they serve their purpose? The JDF must by law be given the authority to make any decisions they deem necessary to fight an outside invader. These matters should have been clearly defined at the time the self-defense law was enacted in 1954, but the main objective was to first organize a self-defense force and have the concerned ministries get together at a later time to establish the necessary details. Everything was "put off for a later date" but this "later date" has still not arrived.

The third kind of legislation is that concerned with the need to provide for matters involving the constitution. To be attacked by a foreign power and fight for one's defense is to be in a state of war. If the war lasted any longer than a few days, it would be necessary to regulate such facilities as traffic, communications and the distribution of foodstuffs. We would have to implement many measures which would limit the basic human rights of the Japanese people. This legislation for use in a time of emergency can only be provided for by constitutional measures--by an amendment to the constitution. As long as we lack such legislation, our defense system is incomplete. Its many facets are not united--like the ribs of a fan having no pivot.

But amending the constitution is taboo to the present LDP Government. The Communist Party says that if it were in power it would amend the constitution and clearly state that Japan maintains military forces. It doesn't understand why the LDP is reluctant to do this.

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If it is necessary to amend the constitution in order for the JDF to be fully capable of achieving their mission, it seems logical that the government should explain the principle to the general public and make every effort to gain their consent and support. Even though the entire country has been concerned about the "emergency legislation problem" nothing is done about it and people don't seem too worried. One can only say that the awareness of the Japanese people is strange.

Incomprehensible Outline

Can We Resist Power With Abstract Ideas?

C. The government has no clear view on defense capability.

In October of 1951 the Miki Cabinet established "An Outline of Defense Plans" and this now serves as the basis for government policy. This "Outline" is only on paper, however, and nobody really knows how in actual capability it would come by everything it needed. Our country's defense being discussed in these abstract and ideological terms demonstrated the thinking which has always characterized the Japanese people. In each clause of the "Outline" the wording is completely meaningless. It seems strange though that nobody even questions the situation.

Following is one illustration from the "Outline." Our general defense plan is to oust an invader by our own strength in the case of a small-scale and well-defined invasion. According to the scale and circumstances, however, after having exercised every possible means to resist the enemy by ourselves, we would wait for assistance from the United States and together with them put down the enemy.

Supposing that a given country should attack ours (whether or not this is likely to happen is another matter). That country would attack in sufficient force to crush our resistance, for no country plans an attack just to be driven back. In other words, if any country launches an armed attack against Japan, we ourselves do not have the power to defeat them. In that case we wait for "assistance from the United States"--but how many days might that take? We claim that we would put up and continue "very strong resistance," but in order to do that, just where and what are the "every possible means?"

Supposing that these measures do not presently exist and we are to ready them for the future, what would they be and by what time are we planning to have them? It is not at all clear whether the above portion from the "Outline" is referring to a present situation or to some vision in the distant future. It is an incomprehensible statement, transcending the framework of time and space. "Every possible means" is just like an edict from the Imperial Headquarters; in effect, it is the same as "means which do not exist."

On 12 May 1943 the American army landed on Attu in the middle of the Aleutian Islands. On the night of 15 May, the chief staff officer sent the following telegram of encouragement to the Yamazaki unit. "The Imperial Headquarters

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has ordered you to maintain your position in the western Aleutians and destroy the enemy's plan. To that end, we will devise and continue 'every possible means' of support and we pray for the ensuing hard battle." The "every possible means" was in fact "nonexistent means" and no assistance ever arrived. All 2,500 members of the Yamazaki unit bravely met their deaths in the defense of their country.

Maritime, Ground, Air--No Unity

Cabinet Must Stress Unity--Impossible for Men in Uniform

(2) Problems at the Defense Ministry level

A. No Plans for coordinated operations by the three forces.

A Joint Staff Council was established to conduct coordinated operations by the three self-defense forces--land, sea and air. The present chairman is the twelfth to hold the post. There are still no coordinated operations by the three forces, however, and still no coordinated training. This was the whole purpose of establishing the council. The reason is that the operational plans of the three forces are all separate and the Defense Agency is a classic example of "same bed--different dreams."

In particular one of the real problems is the MSDF which claims that "guaranteeing the safety of ocean traffic" is its exclusive mission. Every man on the water wants to guarantee the safety of the sea lanes, but this is an impossible mission. To believe otherwise is to reason the same as those who calculated $2 + 3 = 80$ and led us into World War II.

For 2 years in a row, however, in the "Defense White Paper" there have been illustrations of the U S sea lanes, and the gravity of this problem has been brought to question. But it would be only asking the impossible to instruct the military men in uniform to coordinate the different philosophies of the three Self-Defense Forces and between them come up with a consolidated philosophy. This fact has been acknowledged by three former heads of the Joint Staff Council who had previously served as chief of staff of the individual land, maritime and air forces. (from monthly publication DEFENSE, June, 1976)

It is up to the civilian director general of the Defense Agency, with the assistance of his civilian staff (the Internal bureaus) to coordinate the operations of the Self-Defense Forces. There have been 33 directors of the Defense Agency and so far not one has tried to solve the problem. If the director general cannot fulfill this duty by himself, then that person with ultimate responsibility--the prime minister--should seek the advice of the National Defense Council and devise some way to plan for the three branches to operate in a more coordinated manner and along that line make plans for more coordinated education and training.

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B. No combat training

The three forces are given no training to prepare for an actual battle with a foreign enemy. The pilots are a representative example of this situation. F-104 and F-4 fighter planes attack the enemy planes flying at an altitude of over 10,000 meters at a speed of twice the speed of sound (they could fly the distance between Tokyo and Osaka in 10 minutes). It is not possible to train in Japan those pilots whose mission it is to fly those planes. This is because the necessary air space for maneuvers and the required materials are not available. What is the answer?

There is no choice but to send the pilots to the United States and train them using American air training grounds and equipment. To do this, however, requires a very large budget. It could not be realized with defense expenditures under 1 percent of GNP. And yet those in high authority have publicly stated that the pilots are well trained.

C. No perception of capacity for war

The capacity to defeat an enemy depends upon the product of people and ammunition. The general public, however, is not aware of this simple and yet very important fact. Most people believe that if we increase the amount of tanks, escort ships and fighter planes, we have the "capacity for war." All of these things, however, are a mode of transportation and the place from which to launch ammunition and missiles. It is the ammunition and the missiles which will defeat an enemy, but this fact is not understood or perhaps purposefully ignored.

Throughout the three forces, from the calculation of ammunition to the planning for increased production during an emergency, the attention to ammunition is only a matter of form. The basic concept of defense power which presently dominates the Defense Agency is utterly strange. It is like consenting to a warrior's sword being made of bamboo. The problem lies in the general hypothesis that if our security situation were to change, not only would the bamboo sword at the waist suddenly change in to a real sword, but never having had a sword in their hands everyone would be able to fend off the swarms of invaders.

You Too Put a Gun in Your Hand

Fighting Power on Land Can Last Only 3 or 4 Days

(3) Problems at the citizen's level

Perhaps the most basic problem of all in regard to our present defense structure is that of the average citizen's role in defending our country. In the past war, the battlefields were in foreign countries and those who fought were soldiers. A future war would result from another country attacking and invading Japan. The battlefield would be on these four islands.

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What role would the average citizen play at that time? This is a very important matter and yet so far neither politicians nor scholars nor news critics have discussed the subject. There are three paths to be taken: flee to the mountains and hide, unconditionally surrender or take up arms and fight. Each citizen must be prepared to decide which of the three to choose.

Consider hypothetically that Japan were attacked by Russia. At the present time the ASDF could hold out for only 10 minutes, the MSDF for 2 or 3 days and the GSDF for only 4 days. And then, after our fighting capabilities on land were exhausted, that would be the end of "Free Japan." In order for Japan to defend itself, I believe it is absolutely necessary that its citizens be able to pick up weapons smaller than a machine gun and fight. On 17 June 1940 France surrendered to the Germans. At that time her aircraft carriers, battleships, navy cruisers, submarines, all 96 of her ships were in good condition at five bases in the Mediterranean.

Why is it necessary for the citizens to resist with weapons? Because the capability of the GSDF is exceedingly weak. In Hokkaido, there are four divisions totaling 40,000 men, but the defensive front of one division is at most 12 kilometers. Four divisions, therefore, only have the capability of 48 kilometers. They have no encampments and no fortification. In this situation it would be quite impossible to defend the 78,000 square kilometers of Hokkaido.

How Long the Free Ride?

U S Forces in Japan--Collateral for Japan's Security

What are other countries doing? The country which Japan admires most is Switzerland. Her permanent neutrality is guaranteed by many other countries, but the Swiss still do not rest assured. From a population of 6,400,000 people, they have readied a system whereby 500,000 could be mobilized in a day and within 2 days close to 700,000 troops could be deployed to further fortify their strong borders. The size of Switzerland is 40,000 square kilometers, a little over half the size of Hokkaido.

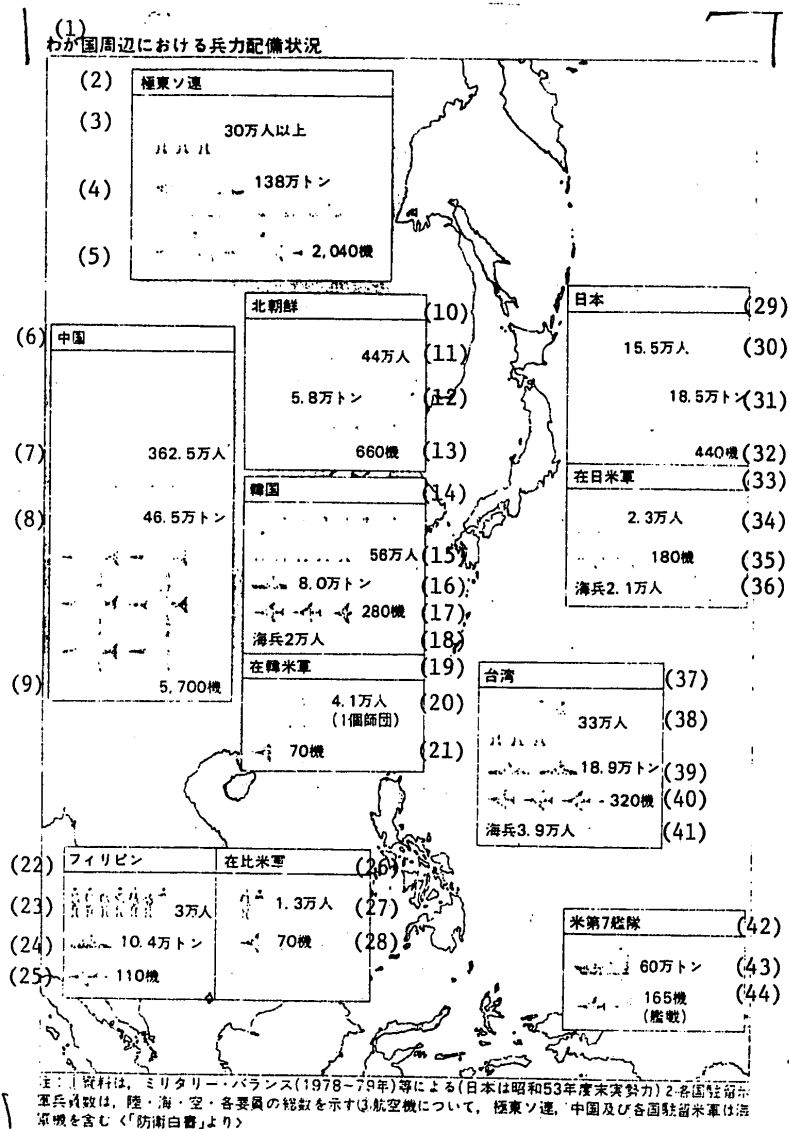
If Japan were to have a system similar to that of Switzerland, in proportion to the population we would need to deploy 12,000,000 soldiers within 2 days. In proportion to the size of the country the number would be 6,300,000. It is very clear that Japan's present defense system is just "pretense."

We have the Japan-U S Security Treaty and as long as American troops are stationed in Japan, the Soviet Union could not attack us. Since to launch a military attack on Japan would have the same meaning as challenging the United States, the American forces in Japan have become like hostages or collateral in order to guarantee our security.

In order to solicit the assistance of others, however, we must first of all do everything in our power to help ourselves. That is a basic rule of human society. There is good reason for Japan's having the reputation of being a master at getting a free ride. What must the Japanese people do in order to protect their country? Our nation's defense begins with them.

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Key:

1. Military Deployment Surrounding the Island of Japan
2. Soviet deployment in the Far East
3. Over 300,000 personnel
4. 1.38 million ton capacity

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Key: continued from previous page

5. 2,040 planes
6. China
7. 36.25 million personnel
8. 465,000 ton capacity
9. 5,700 planes
10. North Korea
11. 440,000 personnel
12. 58,000 ton capacity
13. 660 planes
14. South Korea
15. 560,000 personnel
16. 80,000 ton capacity
17. 280 planes
18. 20,000 marines
19. U S forces in Korea
20. 41,000 personnel (1 division)
21. 70 planes
22. Philippines
23. 30,000 personnel
24. 104,000 ton capacity
25. 110 planes
26. U S forces in the Philippines
27. 13,000 personnel
28. 70 planes
29. Japan
30. 155,000 personnel
31. 185,000 ton capacity
32. 440 planes
33. U S Forces in Japan
34. 23,000 personnel
35. 180 planes
36. 21,000 marines
37. Taiwan
38. 330,000 personnel
39. 189,000 ton capacity
40. 320 planes
41. 39,000 marines
42. U S 7th Fleet
43. 600,000 ton capacity
44. 165 planes (carriers)

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ECONOMIC

FINANCE MINISTRY SEEKS LOWER DEFENSE BUDGET-GNP RATIO

OW181001 Tokyo MAINICHI SHIMBUN in Japanese 17 Dec 79 p 2 OW

[Text] The finance ministry on 16 December firmed up a plan to hold down the defense budget--the focal point in the controversy over next year's budget--to 0.8 percent of the Gross National Product. The reason is that the ministry intends to hold the rates of increase in all expenditures for anything to between 3.9 and 5.8 percent in order to make 1980 the first year in the reconstruction of government finances; therefore, defense outlays alone cannot be an exception. However, in response to the U.S. Government's request for an increase in Japan's share of defense costs, the Defense Agency and the Defense Committee of the Liberal Democratic Party [LDP] policy affairs research council are strongly contending that the ratio of the defense expenditures to GNP should be maintained at the 0.9 percent level. That is why Defense Agency Director General Kubota is scheduled to meet with Finance Minister Takeshita early this week to counter the move of the finance ministry. Some LDP officials are coming demanding that the projected defense outlays, as estimated by the finance ministry, be increased on the grounds that unless the 0.9 percent level is maintained, Japan-U.S. relations may be complicated. The draft budget prepared by the finance ministry is scheduled to be presented on 22 December subsequently, negotiations for increases in budgetary outlays will follow. During this negotiation period, the defense budget's ratio to GNP is likely to become the greatest focal point of argument.

The scale of defense outlays has suddenly become a political issue in the closing phase of budget compilation, because the U.S. Government has repeatedly requested an increase in Japan's share of defense costs. Officials at the Defense Agency and on the LDP policy affairs research council's defense committee view this request from the U.S. Government as a reflection of the tense international situation as indicated by the construction of Soviet military bases on the northern territories, the assassination of ROK President Pak and strained U.S.-Iranian relations. They take a serious view of the surge of anti-Japanese feelings in the United States over the fact that Japanese oil and other firms have purchased Iranian oil taking advantage of the "economic war" between the United States and Iran. They are demanding a drastic increase in defense outlays, fearing

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that unless defense expenditures are increased, the controversy over the "free ride on security" may be rekindled.

Specifically, they demand that defense outlays should be maintained at least at "the level of 0.9 percent" of GNP because the National Defense Council meeting in the fall of 1976 decided that "defense expenditures shall not exceed 1 percent of GNP" and because the actual defense outlays in the 1978 and 1979 fiscal years were at the 0.9 percent level. They demand that using the current fiscal year's defense expenditure of 2,094,500 million yen at the base, the finance ministry should increase the defense budget for the next fiscal year in proportion to the growth rate in the GNP.

Despite this demand, the finance ministry has decided to hold the defense budget to 0.8 percent of the GNP, because, if defense expenditures were to be maintained at 0.9 percent of the GNP, they would increase by 10 percent (209.4 billion yen) over the current fiscal year to over 2.3 trillion yen. This is because the GNP growth rate next year is expected to be 10 percent in real terms.

With a view to making 1980 the first year of fiscal reconstruction, the cabinet some time ago decided to hold down increase rates in general account expenditures (except for bond expenditures to service outstanding government bonds and for grants to local governments) to anywhere between 3.9 and 5.8 percent. Citing this decision, the finance ministry contends that "despite the U.S. request, we cannot give special treatment to defense outlays alone."

The finance ministry gives another reason in its argument. In its request for estimated budgetary expenditures, filed by the deadline at the end of August, the Defense Agency asked for 2,289 billion yen. Even if the GNP next year rises only by 9.7 percent, this amount will be available, but if the GNP rises more than that, an additional budgetary request would be needed, if the defense outlays are to be maintained at 0.9 percent of the GNP. The ministry says, "this will not accord with commonsense about budget compilation procedures." Nevertheless, some LDP officials persistently demand that "the 0.9 percent level be maintained even if an additional budget request has to be made." Therefore, ultimately the prime minister may have to take a decision on the issue.

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ECONOMIC

'MAINICHI' CRITICIZES DEFENSE-SPENDING THEORY

OW211115 Tokyo MAINICHI DAILY NEWS in English 20 Dec 79 p 2 OW

[Editorial: "Defense Expenditures"]

[Text] The handling of defense expenditures in fiscal 1980 has become a political problem in connection with the tight fiscal restraint. The Defense Agency has strongly demanded that the expenditures should be kept at 0.9 percent of the gross national product (GNP) as in the case of fiscal 1979 while the Finance Ministry has pointed out that the defense expenditures should not be treated like a "sanctuary."

A difference of views is not unusual between government ministries and agencies, and fiscal authorities during the period of budget formulation. This time, we have seen a different situation in that the Foreign Ministry has actively sided with the Defense Agency, saying that a reduction of the GNP ratio vis-a-vis the defense expenditures "will have unfavorable effects on Japanese-American relations." The Liberal-Democratic Party's Executive Council has also decided to give "top priority" to defense expenditures and to seek prime Minister Masayoshi Ohira's political decision.

The focus of the disputes will be whether or not the defense expenditures should be given special treatment at a time when a reexamination must be made of the welfare and educational expenditures which are closely related with everyday life.

The Defense Agency claims that, if its expenditures drop from the 0.9 percent level, its defense buildup program would be hampered. Moreover, the appraisals by American and other Western Bloc nations of Japan's defense efforts, which have been accumulated in the forms of the introduction of F-15, P-3C, and E-2C aircraft, the establishment of a guideline in the U.S.-Japan defense cooperation, and the decision on Japan's participation in the "Rim-Pac" joint military maneuvers among some Pacific basin nations, would collapse, resulting in an unfavorable sentiment towards Japan among the nations concerned, the agency said.

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The Foreign Ministry seems to be worried about the possible resumption of "free rider" disputes on Japan's defense policy, coinciding with the American congressional criticism of Japan's purchase of Iranian oil in the spot market. Judging from these developments, we believe that the demand for the 0.9 percent expenditures was not based on purely defensive necessity but was aimed at averting possible "outside pressure" from the political viewpoint.

Is such a way of thinking a wise way to cope with various developments? We cannot deny that the East-West clash is being prevented by the gigantic military capabilities of the two superpowers--the United States and the Soviet Union--and by the security setup of these countries. As a member of the Western Bloc nations, Japan must cooperate with the United States and West European nations. We must remember, however, that as an independent country, Japan must make its own judgment on its security.

The government will be unable to gain public support on security problems if its defense policy is affected by "outside pressure." The defense expenditures against the GNP are generally considered as a "yardstick measuring the defense efforts" but the yardstick is merely for the sake of convenience.

The United States spends five percent of its GNP on defense and member nations of the North Atlantic Treaty Organization (NATO) earmark three or four percent of their GNP for the same purpose. The degree of military tension is different in Europe and Asia. We have witnessed an expansion of the Soviet Far Eastern forces but we do not believe it is an imminent "threat" to Japan.

We must remember that the implementation of Japan's defense buildup invites suspicion among Southeast Asian nations, impairs these nations' trust in Japan and may have an adverse effect on the stability of Asia as a whole.

American and NATO criticisms of Japan's attitudes on security problems are not groundless. Insufficient consciousness and obscure attitudes among Japanese political leaders on security issues have given misunderstanding to these nations.

Japan must clarify its peace strategy which will convince other nations by explaining to them its constitutional restrictions. We believe Japan must actively tackle this aspect, rather than trying merely to avert "outside pressure."

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ECONOMIC

'YOMIURI' VIEWS BIG BUSINESS VS GOVERNMENT 'TAX BATTLE'

OW241413 Tokyo THE DAILY YOMIURI in English 21 Dec 79 p 3 OW

[Commentary by Raisuke Honda: "Keidanren Routs LDP"]

[Text] The government and the Liberal-Democratic Party (LDP) have abandoned plans to increase corporate taxes in fiscal 1980, capitulating once more to the pressures of big business.

The government proposal for a corporate tax hike came after the major setback of the LDP in the last general election that was due primarily to the people's indignation over Prime Minister Ohira's statements during the election campaign urging a general excise tax.

The premier came under fire and with-drew the planned tax on consumers. This greatly disappointed the Finance Ministry which had hoped for this tax to help overcome the difficulties in government finances.

In consultation with Finance Ministry officials, the premier then decided to impose a hike in corporate taxes by two to three percent, while again pledging to make drastic slashes in government spending.

The Finance Ministry had been hoping that the planned corporate tax hike would raise the government revenue by an estimated yen 440 billion to yen 660 billion for the next fiscal year.

The tax increase plans, however, touched off stronger-than-expected criticism from the top echelons of the business world.

Toshiwo Doko, chairman of the Federation of Economic Organizations (Keidanren), lashed out at the planned tax hike, saying the government could not justify a tax raise on the plea of financial difficulties, "as long as it fails to cut back on its own expenses."

Doko vehemently launched an antitax hike campaign sending early this week Vice-chairman of Keidanren Nihachiro Hanamura to Prime Minister Ohira and other LDP executives to protest against any tax increase.

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In his talk with LDP Secretary-general Yoshio Sakurauhi last Monday, Hanamura reportedly "threatened" that there would be no financial backing from the business world for the LDP in the House of Councilors election next summer, unless the party dropped the planned tax boost.

LDP sources said the party secretary-general then "diluted" the tax raise plans, saying a one percent hike would do, but Hanamura would not accept any tax boost at all.

In the face of this pressure from the business world, such militant LDP Dietmen as Kozo Watanabe strongly demanded that the government go ahead with the planned tax boost "in order to not mar further the image of the LDP."

But the voices of the few militants were quickly drowned out.

The LDP is now badly short of money, since it spent so much for electioneering in the October 7 general election.

The party is said to need at least yen 5 billion in campaign funds for the forthcoming upper house election. Therefore, the LDP had little choice but to withdraw the planned tax, though reluctantly in order not to anger Hanamura, who is "Keidanren's finance minister."

Even Finance Ministry officials have refrained from insisting upon the need for corporate tax increases. Instead they now say the government efforts in slashing its expenditures are making unexpectedly good progress, to the extent of eliminating the need for tax raise.

Following the government decision not to raise the corporate tax in fiscal 1980, the finance minister met with the Keidanren vice-president last Wednesday to solicit Keidanren's support for tax boost in fiscal 1981.

In the tax battle, Keidanren, routed the government and the LDP. This is interesting when we consider the triangular basis of conservative power—the LDP, top bureaucrats and business leaders.

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ECONOMIC

OKITA: AMERICANS DO NOT UNDERSTAND JAPAN ECONOMY ASPECTS

OW140047 Tokyo THE JAPAN TIMES in English 13 Dec 79 p 1 OW

[Text] Foreign Minister Saburo Okita said in Tokyo Wednesday that the American people do not "specificities" of the Japanese economy, which heavily depends on overseas energy sources.

On his return home from Paris, he expressed "a strong hope" that the U.S. will better understand Japanese petroleum firms had no choice but to use boycotted Iranian oil to make up for a sharp decrease in supplies by American major oil companies to them.

Okita pointed out that U.S. majors' supplies had stood at 1.4 million barrels a day a year ago. But the amount has already dropped to the 400,000 barrel level, he added.

He made these statements in connection with growing complaints among the U.S. people against what they call Japan's "lukewarm attitude" toward the month-long seizure by Iranian students of the U.S. Embassy in Tehran and its "hectic purchases" of Iranian crude in recent weeks.

Okita said that U.S. Secretary of State Cyrus Vance had expressed "a strong dissatisfaction" with what he claimed was Japanese businesses' "untimely buying of huge amounts of Iranian crude at extraordinarily high prices."

Okita explained in the press conference that the U.S. energy authorities had "informally" told Japan a month before that there will be no "serious problems" in purchases of oil, which Iran had earlier planned to ship to the U.S. but has been totally suspended, by the Japanese and the Europeans since they will prevent to some extent a possible decline in global oil supplies.

Referring to the U.S.-Iran hostility, Okita told the press that "The Japanese Government can not support by all means such a deed as conducted by the Iranian students at the American Embassy in Tehran not only from a humanitarian viewpoint but also because it runs counter to an international law ensuring the safety of foreign diplomats.

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The American hostages held at the embassy "should be released immediately," he added.

Meanwhile, Prime Minister Masayoshi Ohira instructed foreign ministry officials to study administrative measures to be taken to cope with the American criticism of Japan's purchase of high-priced Iranian oil.

At a luncheon meeting he had with ambassador to the United States Fumihiko Togo and other envoys stationed in the Middle East, the prime minister said that he is "gravely concerned" at the worsening American feeling about Japan, as can be seen from the denunciation of Japan's purchase of high-priced Iranian oil by Secretary of State Vance.

Ambassador Togo stated that it is a political, and not economic, problem how to cope with the American criticism against the Iranian oil purchase.

Prime Minister Ohira argued that this problem must not cause any rift in Japan-U.S. relations of trust.

The Ministry of International Trade and Industry (MITI) said it will avail itself of every means to restore American confidence and help prevent fresh straining of bilateral trade relations.

A senior MITI official defended recent Japanese buying of crude oil from Iran, saying spot crude purchases cannot be helped to some extent at a time when international oil companies are increasingly cutting supplies to this country.

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'YOMIURI' OPPOSES IMPOSITION OF OIL IMPORT QUOTAS

OW140510 Tokyo THE DAILY YOMIURI in English 12 Dec 79 p 2 OW

[Editorial YOMIURI SHIMBUN 12 December: "Shades of Oil Quotas"]

[Text] The International Energy Agency (IEA) meeting has set oil quotas for participating countries with the obvious purpose of persuading OPEC to practice restraint in raising prices. OPEC meets next Monday in Caracas and a stiff price increase is feared.

However, how can the IEA quotas be enforced in each country? The quota can have only the meaning of a guideline to establish a goal in free nations whose economies are not planned or controlled.

And unless the governments of these nations monopolize crude oil imports and allot oil import quotas to importers, no quota can really be imposed. The U.S. considered taking punitive action against violators, but gave up the idea in the face of opposition from other countries.

Of No Effect on OPEC

Without any guarantee that the quotas will be adhered to, will this action have any effect on OPEC in curbing price increases? We doubt that it will. OPEC will decide on oil prices based on its view of the trend of the world economy in the 1980s.

It is believed that the world economy will enter a recession next year, and any oil increase now will worsen economic conditions. This will lead to a decline in oil demand. OPEC should remember that the sharp rise in crude oil prices since 1973 boomeranged on oil-producing nations.

The nations participating in the IEA ministerial meeting must have willingly accepted the oil import quotas because oil demand next year almost certainly will level off. The quota for Japan does not differ from the one set at the Tokyo summit last June.

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Since the growth of the Japanese economy is slow and the ratio of oil consumption growth to national economic growth is declining, it will not be difficult for Japan to observe the import quota. And it should be noted that Japan's oil imports in fiscal 1978 actually decreased from the previous year even though the economy registered growth.

Administrative Meddling

But what worries us is that the quota accepted by Japan will encourage great administrative meddling. Already, the government allots refining quotas on refining companies under the petroleum industry law. But because of this production quota, an oil company whose oil acquiring power is weak often makes a purchase of crude oil at high prices on the spot market in order to fulfill its quota.

We believe the rules of competition should be introduced whereby an oil-refining company may import crude oil in amounts that match its oil acquiring powers and then process it.

We oppose the government increasing its intervention now through imposing import quotas by taking advantage of the IEA agreements on national quotas.

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JAPAN ANTICIPATES CLOSER TIES WITH AFRICAN NATIONS

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 9 Nov 79 p 2998

[Text] As was announced at the time, Japanese Minister of Foreign Affairs Sunao Sonoda officially toured five African countries late last July:

Nigeria, from 20 to 22 July (meetings with the chief of state and the minister of industry).

The Ivory Coast, from the 22nd to the 24th (meetings with President Houphouet-Boigny, Minister of Foreign Affairs Simeon Ake and Minister of Finance and Economic Affairs Abdoulaye Kone).

Senegal, from the 24th to the 26th (meetings with Prime Minister Abdou Diouf and Minister of Foreign Affairs Moustapha Niasse). During his stay in Dakar, Sonoda signed one agreement for a 2.5 billion yen (approximately 11.5 million dollars) loan to Senegal to finance construction of the Louga-Dahra road and another for a gift of Japanese rice valued at 1.9 million dollars.

Tanzania, from the 26th to the 28th (meetings with President Nyerere, Minister of Foreign Affairs Benjamin Mkapa and Minister of Finance Edwin Isaac Mbiliewi Mtei). Results: a gift of 2 billion yens (approximately 9.2 million dollars) to the Center for Agricultural and Industrial Development of Kilimandjaro and Japanese rice valued at 1.66 million dollars.

Kenya from the 28th to the 30th (meetings with President arap-Moi, Minister of Foreign Affairs Munyua Waiyaki and Minister of Economic Planning Robert Ouko). Sonoda presided over the laying-of-the-foundation-stone ceremony for the "Jomo Kenyatta" College of Agriculture being built thanks to a first gift from Japan in the amount of 1.8 billion yens (approximately 8.3 million dollars) to be complemented by a second gift of comparable value.

In 1974, the then Japanese minister of foreign affairs Toshio Kimura had visited Africa officially for the first time by touring Ghana, Nigeria, Tanzania and Zaire. Several African chiefs of state and ministers have since visited Japan over the past few years: Presidents Mobutu in 1971, Bongo in 1975 and 1978 and Sanghor in 1979.

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Japanese aid to Africa has been increasing and in 1978 it was broken down as follows: gifts valued at 18.25 million dollars; technical cooperation valued at 23.45 million dollars; and loans in yens valued at 63.8 million dollars.

This growing interest of Japan for Africa motivated a recent and important Paris meeting of Japanese ambassadors to Africa (8 and 9 October) and the agenda for that meeting and list of participants will be interesting to note.

Problems studied

- 1) Strengthening of Japanese technical and economic cooperation with African countries. Japan must meet ever growing international obligations.
- 2) Increase of Japanese activities in the fields of public relations and cultural affairs to ensure a better mutual understanding.
- 3) Strengthening of Japanese diplomatic structures in Africa and increased staff for the Central Administration.
- 4) Need for a better understanding of Japanese policy toward South Africa, a policy which endeavors to be more progressive than that of western countries with, for example, the interdiction of direct investments in South Africa.

Japanese authorities have often recalled that, ever since the Versailles Conference at the end of World War I, Japan always opposed apartheid policy. Consequently, Japan limits its relations with South Africa: a) it has no diplomatic relations and only maintains consular relations; b) it does not allow Japanese companies to invest directly in that country; c) it restricts exchanges between the two countries even in the fields of culture, education and ports; d) it strictly observes the interdiction to export arms to South Africa, thus abiding by the UN resolutions.

Participants in the Paris Meeting

a) High officials from the Japanese ministry of foreign affairs: General Director for Mideastern and African Affairs Chiba; Deputy General Director for Economic Cooperation Goto; Director of the Service for General Affairs, the minister's cabinet, Nakahira; and Head of the African Service Haraguchi.

b) Japanese ambassadors: Ambassador to Ethiopia Hashizume; Charge d'Affaires to Ghana Nomoto; Ambassador to Gabon Shinomura; Charge d'Affaires to Guinea Yamakawa; Ambassadors to Kenya Saiki; to Zaire Yamashita; to Zambia Nishimiya; to Senegal Uchida; to the Ivory Coast Yasuda; and to Tanzania Tsuda; Charge d'Affaires to Central Africa Komachi; Ambassador to Nigeria Tanaka; Secretary with the Japanese Embassy in Madagascar Yajima; Charge d'Affaires to Liberia Funakoshi; General Consul to Pretoria Kimura; Ambassadors to the United Nations Nishibori; to Great Britain Fujiyama; and to France Ikawa.

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JAPAN TO DISCONTINUE SANCTIONS AGAINST RHODESIA

OW241505 Tokyo JIJI in English 1400 GMT 24 Dec 79 OW

[Text] Tokyo, Dec 24 (JIJI Press)--Following is the text of last Saturday's statement by Tamio Amau, director-general of the Foreign Office's Public Information Bureau, on cancellation of Japan's total economic sanctions against Rhodesia (as released in English through the foreign press center):

1. The constituent assembly for the independence of Southern Rhodesia based on the principle of genuine majority rule which had been held in London since Sept. 10 of this year was successfully concluded and the governor-general of the United Kingdom arrived in Southern Rhodesia on Dec. 12 to take up his post. As the authority of the governor-general was recognized by the commanders of the local armed forces and police, and the high officials of the administration, the rebellion and the illegal position of Southern Rhodesia was terminated. On Dec. 21 (New York time) the final documents of the above assembly were formally signed. The same day the United Nations Security Council adopted a resolution calling upon the states members of the U.N. to terminate the measures taken since May 1968 against Southern Rhodesia under Chapter VII of the Charter and decided to dissolve the committee established to supervise the implementation of the sanctions.

2. In accordance with the above resolution, the Government of Japan has been relieved of the obligation to impose total economic sanctions against Southern Rhodesia under Article 25 of the Charter. Following the above resolution, the Japanese Government intends to take immediately necessary procedures to discontinue the sanctions.

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AUSTRALIA CUTS LNG SUPPLIES TO JAPAN

Osaka JIJI in English no time given 17 Dec 79 OW

[Text] Osaka, Dec. 17 (JIJI Press)--Australia has told Japanese electric power and gas companies it will cut supplies of liquefied natural gas (LNG) to be produced off Western Australia and shorten the supplying term, informed sources said Monday.

The supply amount will be reduced from 6.5 million tons a year to six million tons and the term shortened from 20 years to 14 years. The start of supply will also be moved down by one year to 1986, the sources told JIJI Press.

The notice is informal, they said. But coming as it does when growing hope is placed on LNG as an energy source alternative to oil, this would have no small impact on the utility companies' service programs.

Five power firms originally planned to buy one million tons of LNG a year each, while three gas companies hoped to purchase 500,000 tons each.

The cut amount of 500,000 tons can fuel a 600,000-kilowatt power plant for a year.

The sources think the Australian decision is a result of an increase in domestic use and a review of LNG reserves. But there is also a view in some quarters that the change, which came immediately before initialing of supply contracts expected by the end of this year, possibly reflects a modification of the nation's energy policy.

An LNG supply contract usually covers a very long term of 20 years or so due to huge equipment investment required on both production and consumption sides. The newly offered term of 14 years is a year shorter than that of Alaskan LNG and the shortest among similar contracts.

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JAPANESE INVESTMENTS CRIPPLE KOREAN LABOR-MARKET

Tokyo ASAHI JANARU in Japanese 26 Oct 79 pp 90-94

[Article by Nobuo Nakagawa, critique]

[Text] Worsened Labor Market of Korea and the Capital Investment From Japan

The sit-in demonstration by more than 200 women workers of YH Trading, wig maker and garment sewing firm, at the headquarters of the opposition Simmin Party of Korea, that ended in the death of a demonstrator and injuries to several early on 11 August when riot police stormed the building, exposed the most serious problem the Korean workers are facing today, as it was the first large scale demonstration of its kind by any group since the Yusin proclamation in the fall of 1972 in Korea.

The Korean workers, especially the young women at the lowest level of the social structure, were forced to suffer numerous pains even during the period of highly acclaimed high economic growth of Korea, because under the present economic development policy based on foreign capital inducement with top priority on export, the low wage of workers and denial of workers' rights are considered to be essential in implementing the policy. In 1977 when the 10-billion dollar export target was reached, the contradictory problems inherent to such economic development policy suddenly surfaced, creating serious stagflation for ferocious inflation and stagnation to go on hand in hand. Its impact hit the workers head-on.

The wave of bankruptcy, close-down or cutting off the working hour by numerous businesses directly affected the workers by layoffs or loss of pay. (For example, from June to August this year, 74 businesses went bankrupt, 1,622 closed the shops and 8,198 opted to shorten the work hours.) The incident of YH trading was a clear example of these problems. Here, the point to remember is that Japan is directly and deeply involved with the situation in Korea. Among the Japanese businesses currently active in Korea, some began to show moves toward slowing or closing down the operation, invoking a fear that they might be heading toward similar incident.

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The confidential report of Japan Trade Promotion Organization (JETRO) forwarded to Tokyo from the Seoul office in June made it clear that the financial structure of Korean businesses suffered general regression as a result of a tight money policy since 1978 and from the drop of export business beginning this year. After pointing out the wave of bankruptcy sweeping across the country, it went on to report the following: "Thus, the trouble in the industry emerged affecting wide-ranging industries including large business concerns. Therefore, the chain reaction toward bankruptcy is now feared. We must watch further development as the tremor from the shock is expected to linger on....

The worst hit is the textile industry. The major textile cartel, like Hanguk Silk group mentioned above, is reported to have run up against the wall in its management. This was followed by the troubles of medium size operations experiencing shut down and outright bankruptcy. According to the 'Report by Sewn Goods Export Industries,' 37 firms out of more than 200 members of the Korea Garment Exporters Association went bankrupt, forcing them to pull out of the export market. At any rate, the down turn trend of the textile industry is progressing at a rate faster than expected. Furthermore, the dark outlook in the future may drive more businesses to closing their doors."

The Japanese Capitals Are Directly Involved With Maintaining Low Wage in Korea

The same report also took up the problem of the electronic industry: exports hit the ceiling in this area when the second energy crisis was brought on by the turmoil in Iran and the consumer goods savings movement undercut the demand in the domestic market. The main export items of Korea today are textiles and electronics. Electronics are expected to replace textile goods for export in the second half of the 1980's. Electronics and machinery are two major fields which the Japanese are heavily concentrating on.

Therefore, the worsening management problems of these industries which may lead to bankruptcy or close-down point to the possibility of direct confrontation between the workers and the Japanese firms in Korea or local firms with Japanese capitals, over such disputes as lay offs and non-payment of wages. The recent move of the Japanese businesses at the Masan Export Commodities Processing Zone clearly is a matter of concern. According to the report by Jetro, the Japanese-origin firms are experiencing a shortage of capital funds, a snag in exports and labor dispute beginning January to the end of May 1979. The number of firms affected total 10 which include Korea Daiyu Kasei (its operation suspended over bad checks), Korea Ideal Tile (All Japanese personnel are on the verge of walking out), Korea Sanken (reported to authorities a 3-month voluntary close-down), Korea Electronics Cabinet (operating below 50 percent capacity) and Korea West Electric (working 4 days a week). The report further pointed out: "Many personnel at the firms of Japanese origin estimate the probable life span of light industry and assembly type operation in Korea to be no more than 2 years on account of the overhead cost doubling in little more than 2 years.... More than half of Japanese

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origin businesses in the zone let it be known that they would want to immediately sell out the business to whoever is interested in taking over at a reasonable price after a fair assessment of its assets."

Under the control of Japanese origin business at the Masan Export Commodities Processing Zone, such labor-related troubles as extremely low wages and harsh treatment, lay offs at will and abuse of women workers' rights were reported to have presented constant problems which the National Assembly of Korea once took up on the floor for debate. The close down and pulling out of Japanese businesses from the Free Zone could possibly erupt into the second or third YH Trading type incident when fueled by unjustifiable lay offs or non-payment of wages. Next, it must be pointed out that the Japanese capital is directly involved with maintaining a situation of low wages and no workers' rights in Korea. Korea's leading magazine, SIN TONGA, carried an article "The Japanese business in Korea" in its August 1976 edition. The author was Song Hyong-mok, then assistant economic editor at CHOSON ILBO.

The article delving into the reality of Japanese capital, deeply penetrating into all spheres of the Korean economy from children's toys to automobiles, and attempting to expose problem areas, touched on the mode of Japanese operation: how pressure was applied to maintain low wages by whatever means available at hand. It stated: "In Seoul, there is the so-called 'J.V. Association' organized by the Japanese investors in Korea. The Japanese executives sent by home offices to such large Korean firms as Sun Kyong Synthetic Fiber, Korea Yakult Dairy and Cheil Synthetics, form the officers of the Association. The Association seems on the surface no more than a simple friendship society but actually it is an organization of some significance."

The members hold regular meetings. They exchange information. At times, they discuss common problems and matters of mutual concern. Occasionally, the Association members present to the Korean Government through the Japanese embassy in Korea the common consensus of opinions related to their common interests. The information they exchange at the meeting includes matters directly affecting the interests of the Korean people.

For instance, the wage for Korean workers is a case in point. What level of wage is fair to them is not in the discussion. In the country where the starvation level wage of 6,000-7,000 won a month still exists, the wage level of Japan, the economic giant, would never become a matter of comparison or even be taken into consideration.

The basic concerns of these people lie in the area of how best to keep the wage at the lowest possible level and how to keep its plant running at the lowest cost. They exchange information on the wage difference between one business establishment and another, an industrial zone and the other. At times, they draw up a chart to show the difference of wage from one geographical area to the other: Hong Kong, Taiwan, or Malaysia where the Japanese businesses are active. If their firms were set for higher wages than the other area or industrial zone, they immediately lodge a protest. At times, they apply pressure, though politely, to Korean investors or the government.

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The low wage is hell to workers but the absolute benefit is to the investors. The most attractive feature for investing in Korea was the low wages; therefore, this group of people shows displeasure when confronted with rising wages.

The article further pointed out: "The substantial reason for our government reluctance to push for firm wage control policy may be due to the circumstance described above." The position taken by the Japanese industrialists and the influence they exert to maximize, by whatever means available, low wage benefit that attracted them to Korea in the first place are clearly exemplified by these accounts.

The formal name of the J.V. Association is Joint Venture Association. Its members as of 6 January 1975 are listed below.

Membership of J.V. Association

Names of Korean Companies

Umi Nylon
Hanil Masonry Industry
Korea Aru-o-mu
Korea Erina
Korea Elephant
Korea Onkyo
Korea Synthetic Rubber Industry
Korea Conveyor Industry

Korea Information Service
Korea Takada Wireless
Korea TDK

Korea Tonga
Korea Watch Industry
Korea Electric Sound
Korea TV
Korea Electronic Sign
Korea Sinkwang Electronics
Korea Gas Pump
Korea Precision Chemical

Korea National Electric
Korea Puktu Sound
Hanyuk Electronics
Korea Trans(former)
Korea FELCO Transmitter
Korea Polyester
Korea Glass

Japanese Investors

Atsugi Nylon

Toyo Electric Appliance Plant
Okamoto (Ltd)
Shimada Sadamu (Ltd)
Onkyo (Ltd)
Mitsui Industries
Izumiya Iron Works; Miyasumi
Iron Works; Fuji Steel Chain

Japan Information Service
Takada Wireless Works (Ltd)
Tokyo Electric Chemical
Industry
Toa Electronics
Hattori Hong Kong
Electric Sound
Nikko Jitsugyo
Ito Electronics
Sinko Electric Industry
Tokyo Tatsuno
Nikka Chemical Industry;
Mitsui Industry

Matsushita Electric
Hokuto Sound
Hokuriku Electric Industry
Tabuchi Electric
Fuji Tekku (Ltd)
To Rei
Mitsubishi Commerical; Toyo
Glass

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Names of Korean Companies

Korea Bea Industry
 Korea Medical Supply
 Korea Metallurgy Industry
 Korea Yakult Dairy
 Hansong Prefabricated
 Hanil Fiber
 Hanhwa Knit
 Cosmos Accessories
 Kangnam Hwasung Industry
 Korea Engineering
 Sharp Data
 Samgusa
 Samgyong International Tourist
 Samgyong Tonghwa Re-Za
 Samsung Electric

Samhwa Electric
 Samhyong Electronic Industry
 Samyang Special Alloy
 Sinhan Electronic
 Sudo Fiber Industry
 Chinju Fireproof
 Sehan Copal
 Songnam Electronic Industry
 Chinyong Electronic
 Sejin Electronic
 Sunkyoung Synthetic Fiber
 Sunkyoung Garment

Seoul Cycle
 Sangyong Sewing
 Cheil Synthetics
 Taehan Marukon
 Taehan Emulsifier
 Taesin Trading
 Taenam Trading
 Tongso Petrochemical
 Seoul Tokyo Hotel
 Segli Optical
 Tongmyong Industry
 Tongyang Polyester
 Ihawa Electronic
 Facom Korea
 Pomyang Airconditioning
 Miwon Fishery
 Union Fiber
 Union Electric

Japanese Investors

Bea
 Japan Medical Supply
 Sumitomo Electric Industries
 Yakult
 Taisei Construction
 Fukuchi; Kawata Industry; Mitsui
 Ito Chu
 Nomura (Ltd) Yagi Commercial
 Marubeni
 Toyo Engineering
 Sharp
 Mitsui Metal
 Tokiwa; Taisei Construction
 Soda Commercial
 Sanyo Electric; Sumitomo
 Commercial

Japan Condenser
 Japan Chemicon
 Marubeni
 Murata Manufacturing
 Kanebo; Nichimen
 Onoda Cement; Omura Fireproof
 Copal
 Koyo Kako
 Sinei (Ltd)
 Futaba Electronic
 Teijin
 Teijin Commercial; Teijin
 and others

Sumida Electric
 Ito Chu
 Torei; Mitsui Industry
 Marukon Electronic
 Marubeni; Nitrogen Engineering
 Daigo Trading
 Minami
 Asahi Kasei
 Tokyu Hotel International
 Miyauchi Precision
 Meiji Confectionary
 Asahi Kasei
 Hochiki
 Fuji Tsu
 Daikin Industry
 Jasko
 Futaba Commercial
 Mitsubishi Electric;
 Mitsubishi commercial

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Names of Korean Companies

Japanese Investors

Unibus Industry	Mitsubishi Electric;
Hwagang Fiber	Mitsubishi commercial
Hwasin Sony	Wacor (Ltd)
Hansu	Sony
Kumsung Electric	Kurida Industry
Samhwa Textile	Nippon Electric
Ulsan Steel	Daiwa Textile
	Sumitomo Commercial; Seo high pressure
Taesung Methanol Industry	Mitsubishi Commercial; Sinetsu Chemical

The Korean Labor System Flows Bank Into Japan

The Korean workers are denied the rights as a group to negotiate or take group action, as a result of the Provisional Decree for Labor Union and Labor Dispute Control in the Foreign Investment Enterprise among others, designed to induce foreign capital investment like the one from Japan, decreed on 1 January 1970; the lack of protection forces the workers to take low wages. Their suffering could be said to have worsened by the Japanese capital investments in Korea.

This mode of operation by Japanese business in Korea affects not only Korean workers. Similar impact is felt on the workers in Japan. The Japanese capitalists attracted to Korea because of its low wages and no rights provision are attempting to impose the same labor conditions on the workers in Japan, to maximize the merit of such demand. Buttressed by the experience with the Korean labor system of low wages and no workers' rights, they promote to undercut Japanese labor conditions. The move toward so-called rationalizing the labor is a case in point.

Let's take an example of Taiho Sangyo. Taiho Sangyo started at the Osaka-Maioka area in March 1960 with 2-million yen capital fund as a maker of nuts and bolts. In the spring of 1972, 12 years later, it grew to the size of 8.5 million-yen capital firm with more than 160 employees. However, in April 1972 the labor union was organized by 140 young workers who joined the Osaka Branch of the Metal Workers Union under Sohyo, the General Federation of Labor Unions. It was the turning point for Taiho management which, thereafter, assumed a stand of labor management to be the top priority matter of importance. When Taiho Sangyo entered Korea at the Masan Export Commodities Processing Zone in April 1974, establishing "Korea Taiho" with 1 million dollars, it was undertaken as a part of carrying out the basic posture stated above.

Since Korea Taiho went into operation, the standard products were regularly shipped to Japan, dubbed on the label of Japan Taiho and re-exported to overseas. As a result, Taiho in Japan had to cut back on production and proceeded to lay off workers. Furthermore, when the products by Korea Taiho were all shipped to the U.S., Taiho in Japan was found entirely

useless which ultimately led to the announcement of closing the head office of Taiho Japan and dismissal of everyone there in November 1977. For management, as long as Korea Taiho yields profit, they could not care less about scrapping Japan Taiho. Moreover, they were successful in their union busting undertaking.

The workers at the home office in Japan suffered worsening working conditions and progressive layoffs in proportion to the increased role of Korea Taiho, ultimately leading to a total close down and layoffs en masse. Today, 250 labor union members are demanding the reopening of Japan Taiho.

The Korea Taiho was subsequently sold out to Korea Kori, another Japanese affiliated firm in Korea, in connection with a suspected graft-taking scandal, throwing the initial ambition of Taiho management down the drain. Nevertheless, the point is made to show the typical example of a Japanese firm using the Korean labor market to shake off labor problems at home.

Gessei Kasei Demands Rationale to Labor

A similar situation could be found in cases of steel drawing industry, Sugimoto Drawing, Nippon Nails and Nippon Seisen, located also at the Osaka-Maioka area. The Sugimoto Drawing specializing in the various small size steel wires established Korea-Sugimoto Drawing with 2.65 million dollars in October 1974, achieved 524,000 dollars export within half the quarter of a year, abruptly closed down the head office in Japan in the beginning of 1975 and laid off all 250 employees. At present, 95 workers are demanding the reopening of the shops.

In the case of Nippon Nails, the Korea-Nippon Nails was established with 1.87 million dollars, went into operation in June 1974 and, soon enough, announced the partial close-down of the home office. The original employees numbering about 600 were now trimmed down to little more than 100. The Nippon Seisen specializing in coils invested 1.68 million dollars to establish Korea Nippon Seisen. Since April 1973 when it went into production, the home office began shrinking, reducing 200 employees by two-thirds. The above firms all went to the Masan Export Commodities Processing Zone.

Among them, for example Taiho Industry was said to be once looked upon with the expectation that the merit from the activity in Korea might be funneled back to the Japanese workers in the form of added benefits. But in reality, it was nothing but wishful thinking or fantasy. The way capital works has not always promised a rosy dream. (The above account is based on Kankoku Shinshutsu Kigyokarano Hokoku [The Report of Businesses in Korea] by Taiho Industry Labor Union and Chosenno Jishuteki Heiwa Toitsushiji Nihon Iinkai Kaiho [Bulletin of the Japanese Commission To Support Independent and Peaceful Unification of Korea] No 20).

The Taiho industry, Sugimoto Drawing, Nippon Nails and Nippon Seisen are all similar size operations with employees numbering between 100 and 600 and their activity in Korea took place in the second half of the 1970's.

One may deduct from the above that the cases in reference were limited only to medium size firms and to the past several years. Nothing is further from the truth. Let's take an example of Gessei Kasei. A large firm making rubber footwear, the Gessei Kasei has its main office in Kurume city. The firm, having 800 million yen in capital assets, had 4,600 employees at the four plant sites including the one at the main office area. The Gessei Kasei established the joint venture firm Sinhung Chemical at Masan Export Commodities Processing Zone with 1.3 million dollars investment and 1,100 employees, beginning its operation from April 1974. Its yearly sale reached the 5 million dollar mark a year.

Many products at Sinhung chemical were exported to Gessei Kasei in Japan and re-exported overseas under Gessei Kasei labels. Thanks to the low wages of Korean workers, the shipment turned out to be about 30 percent cheaper than the same material made in Japan even after import duty payment and the difference was put into the pocket of Gessei management as net profit. The Gessei Kasei maintains another joint venture firm in Taiwan. The imported finished products from the joint venture firms constitute 20 percent of all Gessei labeled footwear. The firm naturally looks for all available means to widen the rate of imported goods.

It was under this background that the Gessei Kasei presented its labor union a very severe "rationalization measure" in the name of breaking through the slump in business as well as rebuilding company management: the Mii plant at Fukuoka prefecture and the Ujiya plant at Tochigi prefecture be closed, 1,000 employees be laid off and all remaining employees' wages be cut by 10 percent. It occurred when the rapid growth of the Korean economy was rumored to be giving a hard push to Japan and the footwear industry was believed to be included in the hard-pressed industries of Japan.

The labor union attempted resistance as best it could but in the face of strong and crafty offense of the management, the union did not have much choice but to accept in the end in June 1978 approximately what the management had been demanding on the grounds that the Korean operation was a fait accompli.

The Offenders Are at the Same Time Victims

The above report is primarily transcribed from the "Point of Origin--My Report" by Akira Inugari carried in the July and August 1978 editions of GEKKAN JANARISUTO [Monthly Journalist]. It clearly demonstrated that the offensives of business management against the unions demanding what it calls a rational management tailored after low wage, no workers rights Korean labor system, is not confined to medium to small size firms but also is spreading to large businesses and that the trend is not something of the past but of the present day.

As a result, the following points can possibly be brought out in conclusion. First, the responsibility of Japan as a party directly involved for maintaining and strengthening low wages, no rights Korean labor system, created in the name of Japan-Korea economic cooperation, is facing a challenge from the system itself.

Second, the worsening condition of the workers in Japan is being accelerated by the management offense demanding rationalizing capital management which is backed up by the maximum utilization of the Korean labor system. In other words, the Japanese imports from Korea are not limited to hundreds of finished goods but the low wages, no rights labor system itself is on the verge of being imported into Japan from Korea.

Third, therefore, from the standpoint of the Japanese workers, they may eventually find themselves in the position of being offenders in a broad sense but at the same time being the victim of the circumstances.

The primary basis of unity between the Japanese and Korean workers must be said to exist in this area.

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SCIENCE AND TECHNOLOGY

CHROMOSOME ANALYZER DEVELOPED

Tokyo MAINICHI DAILY NEWS in English 2 Dec 79 p 12

[Text]

HIROSHIMA—A device to automatically analyze chromosomes for research on atomic bomb radiation ailments and cancer cells has been invented, and its inventor claims it to be the world's first such system applicable for diagnostical purposes.

The computerized system for analyzing large groups of chromosomes is a brainchild of the A-bomb and radio-therapeutic research institute at Hiroshima University.

The 76 million yen device systemizes a microscope, a television camera, an image-

analyzing apparatus, a recopying machine and a computer.

It takes only one day to prepare chromosome specimens, select separated cells, take their photos, cut and rearrange them, compared with about one month required by the present manual manipulation, researchers claim.

The institute planned the development of the system seven years ago, and started actual development work last year with the government's financial assistance.

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SCIENCE AND TECHNOLOGY

SUZUKI MOTOR, MIT TO DEVELOP 1,000-CC HYDROGEN CAR

Tokyo NIKKEI SANGYO SHIMBUN in Japanese 27 Jul 79 p 18

[Text] Professor Shoichi Furuhami of Musashi Institute of Technology University, who has been working on development of a liquid hydrogen powered automobile, will start on a front-engine, front-wheel drive (FF) 1,000-CC liquid hydrogen car with full cooperation from Suzuki Motor Company. Professor Furuhami came out with a 550-CC rear-wheel driven light automobile this past spring. His current goal is to develop a larger hydrogen car and to prove its safety and practicality. Suzuki Motor Company's strong interest in this project car is also noteworthy.

Professor Furuhami's research to this point indicates a two-cycle engine is more suitable for a hydrogen fuel car than the conventional four-cycle engine. Also, with the professor's special intake valve, the previous pollution problems of the two-cycle engine due to incomplete combustion are avoided and fuel economy is improved. Because of problems with two-cycle engines in meeting pollution standards for automobiles, the other automobile companies have, one by one, given up on production of this type of car, and at this point Suzuki is the only company earnestly trying to clean up the pollution problem and continuing production of these cars. They are still using the two-cycle engine, but the new developments have brought it to the fore in the hydrogen fuel field.

Suzuki Motor Company has previously produced only rear-wheel drive cars, but because of the explosive sales of their FF-type small car Alto since last May, the company is putting more emphasis on front-wheel drive vehicles. The hydrogen car they are working on with Professor Furuhami will be a two-cycle, three cylinder, 1,000-CC front-wheel drive vehicle.

Compared to gasoline, 1 calorie of liquid hydrogen takes about four times as much volume and has about the same weight, but because hydrogen will maintain stable combustion at a much leaner mixture, about 30 percent less fuel is needed to run the same distance. Consequently, the liquid hydrogen tank is not that much larger than conventional gasoline tanks, and the developers believe they can design a tank that will fit a regular automobile chassis. Development is also continuing on metal hydrides, a process in

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which the hydrogen is combined with metal for the sake of storage, but because metal hydrides weigh more than 20 times as much as an equivalent amount of gasoline needed to produce 1 calorie of energy, they are not suited for automobiles, and although there are possibilities for larger vehicles such as buses many problems reportedly remain.

Liquid hydrogen must be held at an extremely low temperature, and so development of a suitable tank and a fuel supply pump are important concerns. Professor Furuhashi has studied these problems in connection with this 1,000-CC car, and he plans to use a lightweight tank of fiber reinforced plastic (FRP) plated with metal to guard against hydrogen leaks instead of a stainless steel tank. In regard to the fuel supply pump problem, he intends to "scale up" his present design which has the device inside the tank. His goal is to complete a test car by next spring so that he can make a demonstration run at the International Hydrogen Energy Conference which will be held in Tokyo next June.

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SCIENCE AND TECHNOLOGY

PROSPECTS FOR TURBOPROP AIRCRAFT TO BE SURVEYED

Tokyo NIKKAN KOGYO SHIMBUN in Japanese 26 Jul 79 p 9

[Text] The Japan Aerospace Industry Association (chairman Sakaichi Ohara) recently established a temporary energy-conserving high-speed turboprop research promotion subcommittee to conduct a survey on advanced aviation technology development. The subcommittee will examine technical research ignored after the civil aircraft YS-11 on higher speed turboprop aircraft, composite materials for lighter aircraft, and other technological developments. The goal is to have their findings compiled by the start of fall. It appears that the survey will lead to further technology development on turboprop aircraft and carbon fiber and other composites.

The reasons that the Japan Aerospace Industry Association created this subcommittee are: 1) Energy conservation has become a major topic following the energy crisis; 2) From an environmental viewpoint, the merits of turboprop aircraft which are quieter and consume less fuel are being reconfirmed; and 3) It is expected that the next generation YX civil transport planes as well as the Defense Agency next-generation development aircraft will make wider use of carbon fiber and other composites.

Turboprop aircraft use turbo fan engines, and compared to fan jet engines they are very slow. However, turbo fan engines use 20-30 percent less fuel than fan jet engines, and they are much less noisy.

For these reasons, in the United States the National Aeronautical and Space Administration (NASA) is engaged in research and development of such things as engines and propellers for high-speed turboprop aircraft. In Japan too, one of the JFY 1980 research topics proposed by the Agency of Industrial Science and Technology, Ministry of International Trade and Industry, is to develop a high-speed turboprop plane.

On the other hand, it is said that the United States has recently begun moving toward practical applications of composite materials even in the main structures of military aircraft. In civil aircraft as well, the United States is said to be experimenting with converting rudders and empennage to

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composite materials. In addition, secondary structures such as fairings and rudders of the new generation of passenger aircraft for the 1980's, such as the B-767 being jointly developed by Japan, the United States and Italy, will be made of composite materials.

Japan is one of the world's leaders in the development and production of carbon fibers for structural use, but it has lagged behind other countries in application to aircraft. However, composite materials are being used in STOL (short take-off and landing) aircraft and C-1 transports now being modified at the National Aerospace Laboratory.

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SCIENCE AND TECHNOLOGY

JNR RAILROAD TECHNOLOGY DEVELOPMENT PLAN COMPLETED

Tokyo NIKKAN KOGYO SHIMBUN in Japanese 13 Jul 79 p 11

[Text] The Japanese National Railways (JNR) has announced its technology development plan for fiscal 1979. Covering 310 points, the plan looks to improve safety and reliability, modernize management operations, provide better service, protect the environmental and advance development of the [magnetic] levitation railroad. In addition to concentrated noise and vibration experiments, major provisions include conducting tests next January and February on snow damage countermeasures at the Shinkansen snow countermeasures test track between Kitakami and Ichinoseki. Also, during August through October, running tests will be performed on bogie freight cars at the Karigachi test line in Hokkaido in an effort to shed light on train derailments. The plan also calls for levitation railroad tests this fall aimed at improving speeds with a goal of 500 kilometers per hour. A general summary of the plan is as follows.

Improved Safety and Reliability

Regarding safety, the plan outlines research and development of improved ATS (automatic train stopping devices) and measures to prevent derailment of bogie freight cars, and earthquake countermeasures. On derailment prevention measures, results of previous research on hopper and tank cars will be the starting point and JNR will attempt to gain knowledge about the train derailment mechanism by performing tests under extreme conditions at the Karigachi test line using cars loaded with cement, etc. Also, in working towards implementation of speed-verifying type ATS devices, JNR will produce trial equipment and conduct comprehensive motion experiments on regular railroad cars. On earthquake countermeasures, large vibrating platforms will be used to study how to earthquake-proof structures over weak ground.

In the area of better reliability, studies are being made on preventing breakdowns involving overhead electric lines and pantographs, as well as measures for problems in cold areas and snow damage. Regarding prevention of breakdowns connected with overhead lines and pantographs, studies are being made on Shinkansen test tracks on the number of pantographs, motion of overhead lines, the capacity of current collectors, and the amount of

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friction on slide-bars. Also under consideration is reducing the number of pantographs of regular cars. Regarding snow problems and operations in cold districts, comprehensive studies are being made on the Tohoku-Joetsu Shinkansen to confirm the effectiveness of snow melting devices, and studies will be made on operations at high speeds in snow.

Modernization of Operations

In the area of passenger relations, JNR is beginning study of labor saving in its ticketing operations, including support activities. In particular, they will build a prototype and test an automatic ticket vending machine able to take large-denomination paper money, test and use improved versions of the automatic vending machines now used on the Shinkansen, and study improvement of the Mars system.

In the area of freight, JNR is tackling development of equipment systems aimed at automating existing roads, with emphasis on items with short lead times and low construction costs. Regarding track management, in addition to pushing for quantitative analysis of track breakdowns, other measures include working on weak track beds, and mud flow countermeasures. Developing maintenance-free cars, and energy conservation will be pursued in the rolling stock area. Development will commence on inspection equipment for electric car lines as well as non-insulated tracks. Also, in the construction field studies will be made on how to increase speed in laying "slab" railroad beds, and on how to better design and construct deep underground railways.

In the area of energy conservation, with the idea of concentrating on solar energy uses and electrical power regeneration, research will start on alternating current regeneration systems and off-track electrical equipment for electrical power regeneration.

Levitation Railways

In addition to conducting actual high-speed test runs at the Miyasaki test track, research will be pushed on electrical supply systems as well as superconductor magnets. In particular, when the Miyasaki test track has been extended to 7 kilometers by August, data acquisition will commence on cars traveling 400 kilometers per hour, with the ultimate goal of testing cars traveling at speeds up to 500 kilometers per hour. Research will be conducted on guideway supports and a reactance power compensator cycloconverter. To make effective use of cross-section space for both track and rolling stock, work will start on converting the Miyasaki test track to a U-shape guideway and building a prototype car for the U-guideway will also start.

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SCIENCE AND TECHNOLOGY

BRIEFS

NEW WELDING TECHNOLOGY--Kobe Steel, Ltd., Japan's top maker of welding rods, announced Tuesday the development of new welding technology for construction of extreme low temperature tanks, such as liquefied natural gas (LNG) tanks. At present, welding rods with a nickel content of 70 percent are used for welding LNG tanks, which hold liquefied gas at around 180 degrees C. below zero. But 70 percent nickel welding materials are expensive at 8 million yen per ton and the welding period is long. The new method enables the use of welding rods with nickel content of 11 percent, which is cheaper. With the new method, welding material costs are halved and the construction period is shortened, resulting in a 13 percent cut in tank construction costs. The company plans to build a 150-ton Argon tank at its Kakogawa steelworks to confirm the safety of the technology. [Text] [OW281346 Tokyo MAINICHI DAILY NEWS in English 26 Dec 79 p 5 OW]

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